



Educational Service Agencies in Massachusetts:

Building Capacity in Small School Districts



Massachusetts Organization of Educational Collaboratives

It has been said that necessity is the mother of invention. With PreK-12 school districts across the state struggling to improve instruction and balance budgets, the governmental and educational communities are seeking ways to create better learning for our students and greater efficiencies in our schools. We applaud those efforts and welcome incentives to maximize our increasingly scarce resources. We also offer a tool that already exists: Educational Collaboratives. As the Executive Director of the Massachusetts Organization of Educational Collaboratives (MOEC) and the Executive Director of the Shore Educational Collaborative in Chelsea, we have witnessed growing support for Educational Collaboratives in the debate about school district regionalization and consolidation. Governor Patrick's Readiness Project, for example, recommended that school districts take greater advantage of their Educational Collaboratives. Similarly, a task force report by the school superintendents' professional association (MASS) and the Pioneer Institute's white paper "Massachusetts Collaboratives: Making the Most of Educational Dollars" recognize Collaboratives' valuable role in increasing school district capacity, improving instruction, and creating economies-of-scale.

The following white paper, unanimously adopted by the MOEC membership, reflects MOEC's developing vision. This paper proposes a regional system of Collaboratives that can respond to and support the priorities set for the Commonwealth's schools:

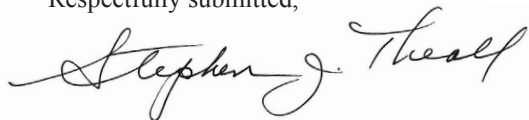
- 1) to increase district central office capacity to support instruction
- 2) to increase academic opportunities and program choice for students and parents
- 3) to lower operating and administrative costs through economies-of-scale

The 28 MOEC Educational Collaboratives provide a wide range of services and programs for their member school districts. Collaboratives were founded in the 1970s when school committees joined together to provide services to profoundly disabled low-incidence special education students. Today, Collaboratives and School Committees are dedicated to the idea that cooperative efforts to solve problems and create capacity stretch the value of limited dollars. Today's Educational Collaboratives provide not only high quality, cost effective programming for the Commonwealth's most disabled students but have expanded their services to include:

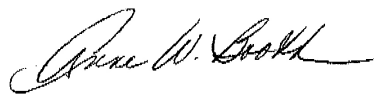
- high quality professional development programs for teachers and administrators in the latest regular and special education pedagogy and practice;
- cooperative purchasing of paper and office supplies; software and hardware technology; and fuel oil, electricity and natural gas;
- the management of Medicaid billing services that yields the return of more than 21 million dollars to participating school districts and municipalities;
- a statewide special education transportation network saving participating school districts several million dollars annually in special education transportation costs.

Collaboratives from Cape Cod to the Berkshires stand ready to work with the state and our school districts. The economies-of-scale they offer will marshal limited resources to provide high quality, cost effective programs and services. Capacity building, innovative programming, and economies-of-scale have been the hallmarks of the Educational Collaboratives' partnerships with member districts for more than 30 years. We welcome your comments and consideration as we work together to ensure that children across the Commonwealth receive an education that enables them to become successful and productive citizens.

Respectfully submitted,



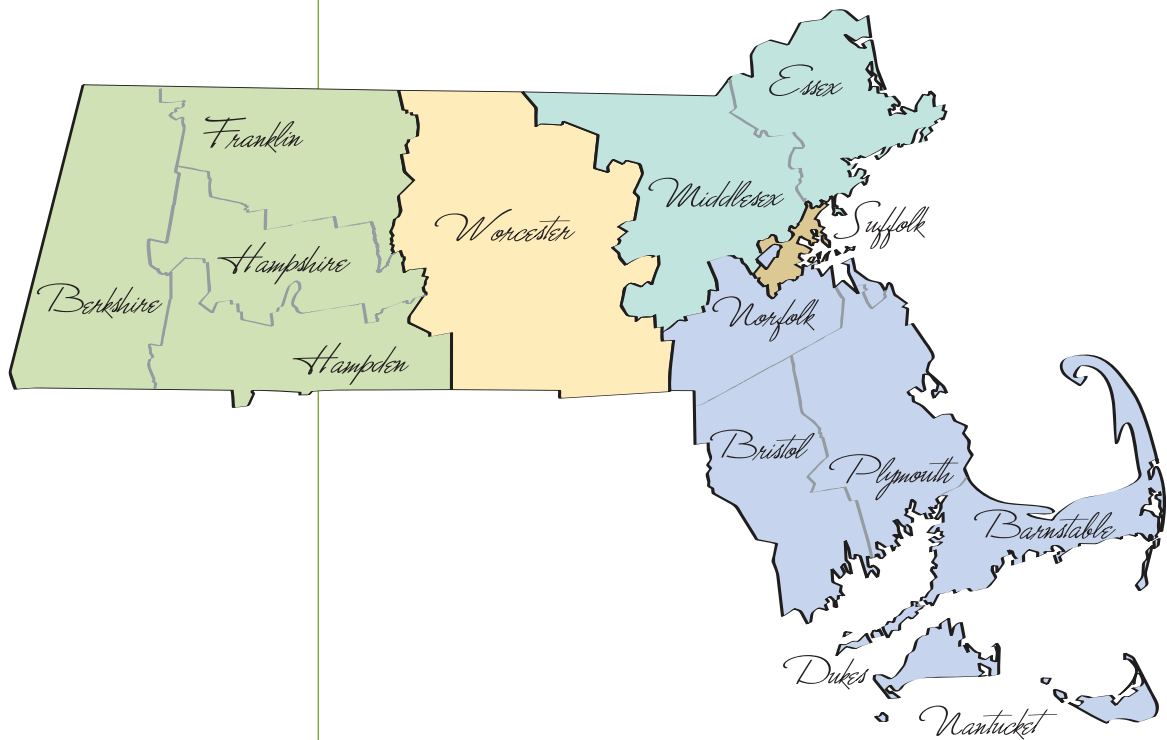
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Executive Summary

As Massachusetts faces turbulent economic times, saving valuable educational resources becomes more critical if not imperative. Town budgets across the Commonwealth are strained, and future budgets will sustain even further cuts. School district leaders are eagerly seeking ways to preserve the integrity of educational services while increasing the efficiency and cost effectiveness of administrative and support services. Concomitantly, there is concern that smaller school districts lack the capacity to respond to the educational needs of their students and the increasing demands of educational reform in the 21st century. In fact, the vast majority of Massachusetts public school districts (88%) are considered small districts, with student enrollments of 5,000 or less, and over half (175) are very small, with enrollments of 2,000 or less. Leaders in smaller districts are often compelled to spend a disproportionate amount of time, energy and financial resources on support functions (purchasing supplies, transportation, energy management and managerial and professional services) rather than on more critical issues related to curriculum and student instruction.

One avenue of response would be a broader, more intensive use of Educational Service Agencies (or Educational Collaboratives as they are called in Massachusetts). ESAs are a resource for providing high quality collaborative services to districts at a considerable saving in public funds. Because of their ability

Because of their ability to provide intensive and high quality services using expertise and technology beyond the means of most small districts, ESAs expand the capacity of smaller districts....	to provide intensive and high quality services using expertise and technology beyond the means of most small districts, ESAs expand the capacity of smaller districts and create greater equity for students in these districts while allowing communities and parents to retain local control of their schools. The expansion of high quality shared services administered through the state's existing ESAs is a cost effective alternative to the consolidation of smaller districts, and ultimately to the consolidation of smaller, neighborhood-based schools.
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Cost savings realized by the use of collaborative educational and support services are sizeable and well documented. If ESAs were utilized to their full potential in the Commonwealth, it is estimated that districts would see substantial savings. According to Craig Stanley, author of *Massachusetts Collaboratives: Making the Most of Educational Dollars* (2005), if just ten percent of the total Chapter 70 appropriation to local education agencies were leveraged through Collaboratives for cost-sharing activities, this move would save \$45.6 million statewide, a 15% savings. If cost-sharing programs were implemented more widely, savings would be significantly greater. For example, if the six cost-sharing programs highlighted later in this paper were implemented more extensively by small districts throughout the state (excepting for energy management, which is easily adaptable on a statewide basis), the annual total savings would be well over two hundred million dollars. This is money that would otherwise be spent on higher utility bills; duplicative professional development efforts; inefficient transportation, financial and personnel systems; and low-incidence special education services. The money saved through better use of ESAs across Massachusetts could then be redirected into direct classroom expenditures thereby increasing educational quality.

The potential savings calculation stated above assumes that ESAs would be utilized fully by most if not all public school districts, funded appropriately, and organized most effectively. This opportunity is not an elusive ideal but rather a realistic prospect, achievable with careful planning and coordinated efforts from leaders within the Massachusetts legislature, the Department of Elementary and Secondary Education, Educational Collaboratives and public school districts.

If we are to maximize the cost-saving potential of Educational Service Agencies, key stakeholders need to better understand ESAs. Before any dialog can begin about district reorganization, reallocation of funding or rewriting of laws, everyone involved should have a common understanding of what ESAs are, what they do and what their potential usefulness can be. The purpose of this paper is to propose a model and vision for how ESAs in Massachusetts can best be utilized to build capacity in small public school districts. We begin with an overview of ESAs in Massachusetts—in comparison to other models across the country—what they look like, how they operate, and finally, how they can be reorganized to support districts in providing a high quality, equitable and cost effective education for our children.

The Educational Service Agency: A Description

Educational Service Agencies are not the easiest organizations to define. The programs they operate, the rules by which they are governed, their relationships with member districts and state departments of education and their organizational structures vary from state to state. Further, ESAs are known by different names in various parts of the country: Educational Collaboratives, Intermediate Units, Service Centers, and Boards of Cooperative Educational Services (BOCES). The U.S. Department of Education provides the following broad definition of ESAs in the No Child Left Behind Act:

“An ESA is a regional public multi-service agency authorized by state statute to develop, manage, and provide services or programs to local education agencies. (ESEA Act of 1965 as amended 9101(17), codified at 20 U.S.C. 7801 (17). The statute includes ESAs and consortia of those agencies under its general definition as a local education agency.”
Public Law 107-110: NCLB, 2001.

A wide range of organizations fit this definition, all known as ESAs. A few are tied to their State Educational Agency (SEA) and tend to act as branches of that organization. Others are multifarious in mission and services, serving school districts, communities, SEAs and individual students and families alike. There are several reasons why ESAs look and function so differently in different regions. Generally speaking, the structure and services of ESAs reflect both the current and historical educational needs that they were designed to meet in each state. Perhaps the best way to understand ESAs is to examine the models that exist across the country to meet specific educational needs of different regions.

Varieties of Educational Service Agencies Across America

In their book, The Educational Service Agency: American Education’s Invisible Partner, Stephens and Keane developed a system for categorizing ESAs by structure, funding and function. Following the description of the three basic types of ESAs found throughout the U.S., we will look at different examples of the two most relevant types as they were set up and have continued to evolve within several states.

Type A - Special district ESA. An intermediary unit of school government between the SEA and local school districts. This type of ESA provides services to both the state education agency and local districts, and was established by the state or the SEA in conjunction with a collective of local districts. Support for Special Districts tends to come from a mix of local, regional, state and state/federal funding. Special District ESAs commonly have lay Boards or governing structures and their legal structure is dictated by legislation or state regulations. States with models of this ESA type include: New York, Ohio, Texas, Washington, Arizona, Pennsylvania and West Virginia.

Type B - Regionalized SEA/ESA. This is the most rigidly defined ESA because it is a branch of the SEA, for whom it delivers services. This type of organization is set up by SEAs, and its legal structure is

stipulated in state regulations of that department. It is governed by professional advisors and all programs and services are determined by the SEA. Since Type B ESAs are actually a branch of state government (e.g., Tennessee and Louisiana), they are perhaps less relevant to a discussion of the possible helpfulness of ESAs in Massachusetts.

Type C - Cooperative ESA. This is the most flexible and loosely defined of all ESA types. In most cases, state legislation permits two or more local districts to come together to form these collaborative organizations. Services are provided to participating districts whose delegates make up the agency's governing Board. While their initial focus may have been to provide a single type of service, many Cooperative ESAs have grown to become multi-service agencies. Many Cooperative ESAs have expanded their largely local and state/federal funding base to include fee-for-service, as well as grants from private sources. Massachusetts, Arkansas, Minnesota and Wisconsin are among states with this type of ESA model.

Boards of Cooperative Education (BOCES) – New York

Type A: Special District ESA

New York has set up 37 BOCES to work with all school districts across the state except for the five largest districts (Rochester, Syracuse, Buffalo, Yonkers and New York City). The stated mission of the BOCES is to provide:

- 1) Shared cost-saving services to school districts;
- 2) Instruction in special subjects, e.g. math and environmental science;
- 3) Vocational training and internships in alternative education and gifted and talented education;
- 4) Forceful leadership in the implementation of state standards;
- 5) Resources to bring about school improvement.

BOCES provide services to member districts as well as the state, and act as a representative of the SEA in ensuring implementation of state standards and school improvement. Chief Executive Officers of each of the BOCES serve as staff members of the SEA.

In order to further their mission of school improvement, New York organized its 37 BOCES into nine “Super Regions” for administering the state initiated school improvement programs. Within each Super BOCES Region, Regional School Support is developed to provide technical assistance to low-performing schools. Super BOCES Regions also support the state's nine Regional Leadership Academies, providing training and coaching to aspiring school leaders in order to better prepare them for their roles as effective administrators and instructional leaders.

Cost-sharing services range from direct (such as career and technical programming, alternative and special education), to cooperative bidding, teacher and staff training (bus driver training, special subjects instruction), or shared support services (business office services, grant writing, and communication). BOCES in New York participate in a cooperative agreement with one another so that any district can purchase any service offered by the statewide network.

Educational Service Districts in Washington State

Type C: Cooperative ESA

Washington created Educational Service Districts (ESDs) by statute in order to ensure quality and provide equitable educational services to students throughout the state. The nine ESDs serve member school districts by cost-sharing educational and supportive services, and by implementing statewide educational

initiatives as directed by the SEA. In addition, each ESD has developed a wide range of services designed to meet needs identified by schools and communities. ESDs in Washington, like Educational Collaboratives in Massachusetts, are multi-service, entrepreneurial organizations, governed by representatives from member district school committees. Their organization is less integral to the infrastructure of the SEA than is the organization of New York's BOCES.

Services offered to school districts by Washington's nine ESDs are wide-ranging, but all provide curriculum support, cost-sharing services (technology, fiscal management, grants management, transportation, collaborative supply purchasing etc.), teacher certification, and special education assistance.

Historically, Washington ESDs competed with one another for the administration of state contracts and for the fees and collaborative partnerships with member districts. In response to this competitive environment and to a state-wide audit in 2007, the Washington ESD Network reorganized so as to mitigate competition for grant dollars and maximize educational equity. Since then, all services provided by any one ESD are available to local education agencies (LEAs) throughout the state by providing them access to the local ESD. In this strengthened network, a district in the southeast corner of the state can be offered an expanded menu of services through its local ESD that includes all the services from all the ESDs around the state. If a district chose to participate in a service that was only provided by an ESD in the northwest corner of the state, that ESD would hire and train staff or contract with consultants who would travel to the southeast corner and provide the service out of that office and represent that local ESD. The local ESD and the distant ESD receive an agreed-upon percentage of the revenue from the provided service. In this way, all ESDs around the state are strengthened by expanded programming, and all LEAs have equal access to the services of their choice. In addition, competition among ESDs is minimized through cooperative partnerships in service provision.

Massachusetts

There are 28 ESAs or Collaboratives across Massachusetts, serving 246, or 75 percent, of the state's public school districts. While 58 of these districts belong to more than one collaborative, 84 districts do not belong to any collaborative. Districts of all enrollment sizes are represented as members in ESAs across the state. However, there are many small districts that are not participating in Collaborative programs.

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and services....

Cost-sharing and other Collaborative services are not consistently accessed by or available to small districts throughout the state.

Collaboratives in this state are an almost extreme example of the Cooperative type of ESA (Type C). Arguably, Massachusetts has one of the more loosely defined of all ESA structures, and is least connected to SEA funding, mandates, and initiatives. Extremely flexible and adaptive, Massachusetts Collaboratives quickly respond to meet local needs with new programs and services, usually paid for by the member LEA or by a state-awarded grant or contract. However, without the consistent state

funding that ESAs in many other states receive, these programs and services often cannot be sustained. In Massachusetts, ESA funding derives primarily from tuition for student services, fee-for-service payments from professional development programs and technical assistance contracts, as well as monies from state and federal grants and contracts. A much smaller portion of revenue comes from member and non-member district fees or dues.

Most Collaboratives began in response to the Massachusetts special education law, Chapter 766 of

1974, which required districts to provide a “free and appropriate education to all children, regardless of disability.” Legislation was written at the time that permitted two or more school committees to collaborate in providing educational services to strengthen or support those already offered.

When first created most Collaboratives in Massachusetts provided low-incidence special education services to their members, which reduced the financial burden of small and rural districts compelled to provide such services on their own. Most Collaboratives have since expanded considerably, tripling their budgets in some cases, to offer a wide range of services to member and non-member districts within their region.

In his paper, Craig Stanley clearly illustrates the depth and breadth of the various services that Massachusetts Collaboratives provide to their members, and the cost savings realized by participating member districts [pages 6-15]. All four agencies studied are multi-service, but Stanley focuses on one service provided by each agency that can be used as a statewide model for replication for innovation, quality and cost effectiveness. Following are some examples of cost-sharing services across the state.

Shore Collaborative provides special education services to students of all disability areas that would be more costly for its 10 member districts to either provide in-house or through contracts with private special education programs [data provided by Shore Collaborative].

- Member districts saved a total of nearly 3 million dollars in private school tuitions through the Shore program for the 2007-2008 school year.

Greater Lawrence Educational Collaborative (GLEC) provides energy management service for both school districts and municipalities within 10 towns/districts [data provided by Craig Stanley].

- In 2004-2005, GLEC members realized per school savings on electricity of \$6,333 and \$6,437 on natural gas.

Lower Pioneer Valley Educational Collaborative (LPVEC) has developed an efficient and comprehensive system for collaborative transportation of students within its six member districts. Bus drivers are hired and provided with consistent, updated safety and professional training [data provided by LPVEC].

- LPVEC’s transportation program saved a total of \$2,076,228 in 2008 in comparison to lowest bids of private contractors for districts with roughly the same number of students.

The Education Cooperative (TEC) provides a cooperative purchasing service for member districts on their annual purchasing of athletic equipment and supplies, cafeteria food and supplies, custodial equipment and supplies, fuel oil and copier paper [data provided by TEC].

- Total savings in 2008 for 58 participating districts in the paper and supply bid alone were more than \$300,000.

Hampshire Educational Collaborative (HEC) provides a wide variety of shared professional development services featuring expert speakers who would be costly for individual districts to provide on their own. HEC’s multi-district Professional Development program on Election Day in November 2008 featured over 45 different workshops on topics ranging from core subject area offerings in reading, math and science to low-incidence areas such as special education, physical education, music, art, technology, and strength-based behavioral management [data provided by HEC].

- Six hundred educators from eight districts participated in the 2008 Election Day Trainings, at a combined savings of \$174,816 compared to the cost if each district had replicated the program on its own.

Several ESAs in Massachusetts and throughout the nation have successfully provided **shared management services** that can yield substantial savings for smaller districts in which a full-time position is not needed. For example, a small district could save up to 50% by having the ESA employ a shared business manager, or food service, special education, curriculum or technology director. Several small districts are each currently spending more than a half-time salary with benefits for a private sector part-time business manager. As an alternative, a Collaborative could have hired and supervised a qualified and certified school business manager to serve these districts at less cost to each district [data provided by HEC].

Other examples throughout the state of cost-sharing programs initiated by Collaboratives include: vocational and career services; alternative education; technology support, equipment and services; early childhood education and support programs; after school programs; and gifted and talented programs, AP courses, language programs, arts education and other low-incidence subjects.

...by the most conservative estimates, the savings would be well over two hundred million dollars per year—enough to make a substantial difference in the state's education budget.

While Collaboratives are actively and successfully engaged in operating cost-sharing programs, there remains a tremendous potential to expand such programs to more small districts throughout the state, and maximize savings. Millions of dollars are needlessly spent each year on such items as fuel and energy, inefficient transportation service delivery, expensive and duplicative professional development, or private special education services for low-

incidence disabilities. If cost-sharing programs were available for just a handful of basic district needs (professional development, low-incidence special education, collaborative purchasing, energy management, transportation, and managerial services) and utilized by small public school districts in Massachusetts, by the most conservative estimates, the savings would be well over two hundred million dollars per year—enough to make a substantial difference in the state's education budget. These savings could be redirected back to local districts for basic classroom expenditures (teachers, support staff, books and materials) that have been cut in recent years, effectively expanding their capacity to provide high quality education with limited resources.

ESAs in Massachusetts:

The Challenges and Opportunities of a New Environment

It's easy enough to make idealistic calculations about the hundreds of millions of dollars that could be saved each year if successful cost-sharing programs were implemented statewide. But the reality is that

Wherever cost-sharing programs are not available, small districts tend to struggle unnecessarily to pay rising energy, supply, managerial, and other support costs.....

these programs are not consistently available to our public school districts, and many school administrators throughout the state are unaware that such cost-sharing opportunities exist. Regrettably, Collaboratives in Massachusetts have not been consistently recognized as a source of help for LEAs or as a resource the state may turn to for providing programs and services.

While LPVEC operates a model transportation system in Hampden County, that type of program may not be available in the South Shore, or even in Franklin County, just 30 miles

away. And while GLEC's energy management program benefits 10 towns and public school districts on the North Shore, those services are out of reach to districts in the southern or central or western part of the state. Wherever cost-sharing programs are not available, small districts tend to struggle unnecessarily to pay rising energy, supply, managerial, and other support costs, rather than being able to invest the money into direct classroom expenses. Providing opportunities for all small districts to access consistent, high quality cost-sharing programs in each region therefore increases investment in direct educational services to students in small districts throughout the state.

In order for model cost-sharing programs described above to be available and utilized throughout the state, Collaboratives as we know them need to adapt and evolve to meet the critical expectation that Massachusetts schools save valuable resources. The evolving needs of districts require high quality and flexible cost-sharing services from our state's ESAs.

Fortunately, the law that established Collaboratives in Massachusetts has allowed for extremely flexible and entrepreneurial organizations with a broad mission and a wide range of expertise on shared service delivery. Unlike in New York and across the country, the Massachusetts SEA has remained somewhat disconnected from the activities and services provided by Collaboratives. This has resulted in very little and inconsistent state funding of Collaboratives and a low expectation that LEAs will participate in Collaborative initiatives. (Only recently has the state recognized Collaboratives as eligible for competitive federal discretionary funds). Collaboratives across the state have had to be very resourceful in their own funding strategies, often relying heavily on grants to initiate and maintain programs. Grant funding cycles typically extend from one to five years, and Collaboratives in this state are quite facile in the skills required for project start-up, oversight and coordination, including:

1. Rapid assembly of high quality regional experts as staff and consultants;
2. Management of tight timelines for project start-up and implementation;
3. Evaluation of outcomes and impact of project goals and activities.

These organizational skills and strengths will allow Collaboratives to expand cost-sharing services efficiently and quickly while maintaining quality and accountability.

If Collaboratives are to offer consistent cost-sharing services to districts across the Commonwealth, they will need proper support from both the the state legislature and the SEA. We look to the models of how other states such as Washington and New York have reorganized and supported ESAs in order to meet the changing needs of schools and school districts.

Both states have reorganized to provide cooperative models of cost-sharing and other programs throughout the state, and have utilized regional ESA organizations to assist the state in implementing and administering many statewide initiatives, especially those related to school improvement. Regional umbrella ESA organizations have allowed ESAs to develop stronger links to the SEA in each state.

Our own school districts have new and exigent needs for shared services, and the models of how these other states have reorganized ESAs are instructive. SEA leadership in Massachusetts will need to be involved in both the promotion of such services to LEA leaders and in the accountability of the services, ensuring they meet agreed upon cost effective and quality standards.

Towards a New Model

As we consider how Collaboratives in Massachusetts can be reorganized to meet the critical needs for cost-sharing in small school districts, we need to take the following key issues into consideration:

1). **Equity:** All districts across the state should have equal access to cost-sharing programs so that each district can maximize the dollars that directly fund classroom learning. Given that similar districts pay disproportionate amounts of money for energy, transportation, health insurance, contract negotiations, supplies, managerial and special education services, technology, data collection, reporting and analysis, and professional development, they necessarily spend less on direct classroom expenses. Therefore, in order to achieve and maintain educational equity throughout the state, all districts must have access to all cost-sharing services provided in any one region or local area.

2). **Quality:** Cost-sharing services must be implemented in a way that either maintains or ideally improves service quality. For example, licensure or professional development programs that are shared by local districts within a region should be of higher quality (implemented by consultants or staff that are more experienced and have stronger credentials and qualifications) than the local districts could provide on their own. In this sense, cost-sharing programs build the capacity of local districts in that they provide local schools with staff members, consultants and services that are more efficient, of higher quality, and more effective.

3). **Accountability:** Currently, there is no consistent system of accountability for Massachusetts Collaboratives other than the requirements of specific grantors and broad membership. Given the loosely defined structures of Massachusetts Collaboratives, some engagement by SEA officials in ongoing benchmarking exercises, setting criteria, and evaluation of cost-sharing programs is essential.

4). **Cost effectiveness:** Arguably, if a cost-sharing program does not save local districts substantial resources and add value to current services, it is not worth initiating. Cost effectiveness is critical to the success of cost-sharing programs. The following chart summarizes examples of savings through cost-sharing services described earlier in this paper.

Cost-sharing Service	Collaborative providing example service	Total savings for participating districts
Special Education	Shore EC	\$3 million
Pupil Transportation	LPVEC	\$2.08 million
Cooperative Purchasing	TEC	\$300,000
Energy Management	GLEC	\$1.49 million
Shared Management	-----	\$30,000/district
Professional Development	HEC	\$174,816

Cost effectiveness can never be the sole criteria for evaluating cost-sharing programs, however. If such programs are not available to every district or if services provided are of inferior quality to those provided by individual districts, then the program is not successful. For those small school districts strapped for financial resources, sharing of personnel is not only cost effective but may provide important services they otherwise could not afford on their own, e.g., a curriculum director or a data analyst.

The Four Rs of Saving Educational Dollars

In order for Massachusetts to develop high quality, cost effective cost-sharing programs that are available to all small districts throughout the state, there are several organizational and legislative changes that need to occur:

1. **Reorganize ESAs into regional clusters:** Collaboratives should be reorganized into five Collaborative Regional Organizations or CROs (West, Central, Northeast, Southeast, Metro). This reorganization does not mean that each Collaborative would dissolve as a separate entity, but that the services provided by each would be better coordinated on a regional basis. Coordination may mean that individual Collaboratives specialize in specific services (i.e. developing their own niche). For example, if LPVEC provides a model transportation system (that might well be replicated in other regions), rather than just providing it to LPVEC members, that service would be provided to all LEAs within the western CRO region.

CROs in each region will be convened by a rotating chair (among the group of ESA members). The existing coalition, MOEC (Massachusetts Organization of Educational Collaboratives), will convene a Council of CRO chairpersons. The SEA will designate a senior level manager who will act as a liaison to the MOEC Council, and will preside over redirection of LEA funding to cost-sharing programs, as well as evaluation and accountability of these programs.

2. **Redirect:** SEA funds for LEA support services should be able (at LEA's option) to be redirected to Collaborative Regional Organizations for a trial number of cost-sharing services (transportation, collaborative purchasing, energy management, professional development, special education, HR contract negotiation, technology). While fund redirection of LEA budgets would be voluntary on the district's part, there will be significant incentives for districts to participate as detailed below. Prior to implementation, CROs must develop a cost-sharing service "business plan" that would ensure significant savings for each participating district. Following the first year of operation, every cost-sharing program in each region will be evaluated on the basis of cost effectiveness and quality. Criteria will be determined by a subcommittee consisting of the SEA liaison to the Council, CRO leaders, and LEA leaders.
3. **Reward school districts participating in Collaborative cost-sharing programs** by returning savings realized through each service to the participating districts to be utilized for direct classroom expenditures. This incentive system will effectively disseminate the cost-sharing programs throughout the state without local districts and stakeholders feeling that money is being taken away from local budgets. In fact, the savings rewards system may keep small schools open that were slated to close due to financial constraints. The savings rewards may also give students more hours of art or music or physical education per week, or allow the school to hire an Arabic teacher or provide school to career services. The returned savings will provide financial incentives for districts to participate (similar to the BOCES system in New York).
4. **Replicate best practices and model programs within each region:** Initially, CROs will partner with each other to ensure that all services are available to all districts throughout the state. Accountability and evaluation of cost-savings will be assured through rigorous data collection and analysis of cost-sharing programs throughout the state. At the end of the first year of implementation, all services will be evaluated for quality and cost effectiveness. The model programs scoring highest at the end of these evaluations will be replicated in each region, either through sharing of best practices or through the partnership model used by New York and Washington (offering all services throughout the state to all districts, but delivering them "through the storefront" of the local ESA).

Conclusion

As national economies around the world plunge into a recession of historic proportions, local school districts throughout the Commonwealth are experiencing severe fiscal challenges and budget shortfalls. While budget cuts impact all districts, those with student enrollments under 5,000 are hardest hit by the economic downturn, since smaller districts have a disproportionate percentage of their budgets allocated for support, supply and managerial expenditures. The expansion of Collaborative-led cost-sharing services is an alternative to regionalization that can build the capacity of small districts while preserving small, neighborhood schools.

Fortunately, cost-sharing programs implemented by ESAs throughout the state and nation have demonstrated substantial savings for participating districts. Many cost-sharing programs implemented by ESAs that are both high quality and cost effective can serve as a model for replication throughout the state so that every small district has the opportunity to save money on support functions and return those savings to the classroom.

Lessons can be learned from studying ESAs in New York and Washington, which have reorganized and regionalized their ESA network in order to better and more equitably serve the needs of local districts. We propose a new model for the Massachusetts Organization of Educational Collaboratives (MOEC), this state's ESA network, and the relationship between the network and the Department of Elementary and Secondary Education. This model regionalizes ESAs or Collaboratives, and redirects specific support function funding of participating districts into cost-sharing programs through SEA allocations. Participating districts are rewarded when the savings realized through the programs are rolled into their budget for direct classroom expenses. The SEA will oversee this budget process and audit all cost-sharing programs for cost effectiveness, high quality and equity. Following an audit/evaluation of all the services offered, services scoring highest in quality and cost effectiveness will be replicated within each region. Collaborative Regional Organizations (CROs) will partner with each other to provide a wide range of high quality cost-sharing programs to all districts throughout the state.

We estimate that if six selected cost-sharing program areas (professional development, special education, energy management, collaborative purchasing, transportation, and managerial services) were delivered by Educational Collaboratives and implemented statewide, the total savings would be well over two hundred million dollars.

Collaboratives are well practiced in the entrepreneurial skills required for the start-up and management of cost effective, shared services, and are poised to take on the expanded role of managing many of the LEAs support functions. By taking on these functions, Collaboratives build capacity in local districts, so that educators can better attend to the complex needs and demands of instructional leadership, practice and innovation in the 21st Century.

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Resources

Association of Educational Service Agencies (AESA)

www.aesa.us

Massachusetts Department of Elementary and Secondary Education

www.doe.mass.edu

Massachusetts Organization of Educational Collaboratives (MOEC)

www.moecnet.org

Educational Collaboratives in Massachusetts:

ACCEPT Education Collaborative

www.accept.org

Assabet Valley Collaborative (AVC)

www.avcollaborative.org

Bi-County Collaborative (BICO)

www.bicounty.org

Cape Cod Collaborative (CCC)

www.ccccollaborative.org

CAPS Educational Collaborative

978-632-2208

Central Massachusetts Special Education Collaborative (CMSEC)

www.cmsec.org

CHARMS Collaborative

www.charmscollaborative.org

Concord Area Special Education Collaborative (CASE)

www.colonial.net/progweb/caseweb/index.html

EDCO Collaborative

www.edcollab.org

FLLAC Collaborative

www.fllac.org

Greater Lawrence Educational Collaborative (GLEC)

www.glec.org

Hampshire Educational Collaborative (HEC)

www.collaborative.org

LABBB Collaborative

www.labbb.com

Lower Pioneer Valley Educational Collaborative (LPVEC)

www.lpvec.org

Merrimack Special Education Collaborative (MEC)

www.mec.edu

North River Collaborative (NRC)

www.northrivercollaborative.org

Northshore Education Consortium (NEC)

www.nsedu.org

Pilgrim Area Collaborative (PAC)

www.pilgrimac.org

Project SPOKE Educational Collaborative

508-339-3715

READS Collaborative

www.readscollab.org

SEEM Collaborative

www.seemcollaborative.org

Shore Educational Collaborative

www.shorecollaborative.org

South Berkshire Educational Collaborative

413-528-6263

South Coast Educational Collaborative (SCEC)

www.scecoll.org

South Shore Educational Collaborative (SSEC)

www.ssec.org

South Worcester County Educational Collaborative (SWCEC)

www.swcec.org

Southeastern Massachusetts Educational Collaborative (SMEC)

www.smecollaborative.org

The Education Cooperative (TEC)

www.tec-coop.org

The Massachusetts Organization of Educational Collaboratives (MOEC) is the professional organization representing the Commonwealth's Educational Collaboratives.

MOEC continually strives to support and expand the capacity of its members to advance student achievement and serves as a primary contact point for bringing together stakeholders in the state's education system.

Acronym Key

BOCES

Boards of Cooperative Educational Services
(New York State)

CRO

Collaborative Regional Organization
(Proposed regional organization of Massachusetts collaboratives)

ESD

Educational Service District
(Washington State)

ESA

Educational Service Agency
(Organization serving the needs of local school districts and/or state educational agencies)
In Massachusetts, ESAs are called Educational Collaboratives

LEA

Local Education Agency
(Local school district)

SEA

State Educational Agency
(State Department of Education)



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